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11 RENAISSANCE RECOVERY SERVICES,
12 LLC, NNB RECOVERY SERVICES and
13 SALVATORE PETRUCCI

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

13 GRASSHOPPER HOUSE, LLC, a
14 California limited liability company
15 doing business as "PASSAGES
16 MALIBU," PASSAGES SILVER
17 STRAND, LLC, a California limited
18 liability company,

19 Plaintiffs,

20 v.

21 RENAISSANCE RECOVERY
22 SERVICES, LLC, a California limited
23 liability company; NNB RECOVERY
24 SERVICES, LLC, a California limited
25 liability company; and SALVATORE
26 PETRUCCI, an individual

27 Defendants.

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AND RELATED COUNTER-CLAIM

Case No.: 10-3198 DMG (JCx)

Hon. Dolly M. Gee

**DECLARATION OF SALVATORE
PETRUCCI IN SUPPORT OF
DEFENDANTS' AND
COUNTERCLAIMANTS' MOTION
TO DISQUALIFY PLAINTIFFS'
COUNSEL AND HIS FIRM AND FOR
ADDITIONAL RELIEF**

Date: April 4, 2011

Time: 9:30 a.m.

Location: Courtroom 7

Complaint Filed: April 28, 2010

Trial Date: October 4, 2011

1 I, SALVATORE PETRUCCI, declare and state as follows:

2 1. I am the Chief Executive Officer and owner of
3 Defendant/Counterclaimant Renaissance Recovery Services, LLC and NNB
4 Recovery Services, LLC, (collectively, "Renaissance"). Except as otherwise stated,
5 I know the following facts based upon personal knowledge, and if called to testify as
6 a witness, I could and would testify competently to such facts.

7 2. On July 7, 2009, Plaintiffs, Grasshopper House LLC d/b/a "Passages
8 Malibu" and Passages Silver Strand LLC (collectively, "Grasshopper"), initially
9 brought an action against Renaissance Malibu Foundation (the "Foundation") in the
10 United States District Court of Oregon (Case No. 3:09-CV-778-HA) (the "Oregon
11 Action"). For its part, the Foundation was and is a 501 (c)(3) non-profit
12 organization which is organized under the laws of the State of California. The
13 Foundation exists solely for the purpose of providing scholarships and other
14 financial services for persons who wish to utilize drug and alcohol rehabilitation
15 services, but cannot afford to do so.

16 3. The Foundation did not and never has had any connection with the
17 State of Oregon.

18 4. Since the Foundation never conducted any business activity and was
19 not present in Oregon – and because I believed both that the Oregon Court lacked
20 jurisdiction over the Foundation and that Plaintiffs had brought suit against the
21 wrong party -- we did not file a response to the Oregon Complaint.

22 5. It is my understanding that Grasshopper subsequently filed a Motion
23 for Entry of Judgment against the Foundation and others. The Foundation had no
24 prior notice as to Plaintiffs' Motion or the scope or breadth of the proposed
25 Judgment, and therefore did not oppose Plaintiffs' Motion. Only after the Court
26 entered the Judgment did Plaintiffs purportedly attempt to notify the Foundation,
27 through its registered agent, as to the Judgment sought by Plaintiffs and entered in
28 the Court.

1 6. In May 2010, approximately six (6) months after the Judgment was
2 entered, it is my understanding that Grasshopper suddenly contended that the
3 Oregon Judgement bound not only the Foundation, but also me, as well as alleged
4 affiliated entities of the Foundation, *i.e.*, Renaissance Recovery Services, LLC and
5 NNB Recovery Services, LLC (collectively, "Renaissance"). However, neither me
6 nor Renaissance: (1) were ever named as Defendants in the Oregon Action, (2) were
7 never served with process in the Oregon Action, (3) were never provided with prior
8 notice of Plaintiffs' Motion for Default Judgment or the proposed Order of
9 Judgment, (4) were never given an opportunity to object to the proposed Judgment,
10 (5) were never served with the Judgment after it was entered, and (6) were never
11 forewarned or told that the injunctive relief sought or obtained by Grasshopper
12 would purportedly apply to them. In addition, since Renaissance and I reside in
13 California and conduct no business and have no other connection with the State of
14 Oregon, it appeared to me that the Order of November 16, 2009 was clearly void as
15 against the Foundation, and against me and Renaissance for lack of jurisdiction.

16 7. Despite these facts, when Plaintiffs nevertheless filed a Motion for
17 Sanctions with the Court on May 25, 2010, seeking the imposition of sanctions
18 against the Foundation, me and Renaissance based on our alleged violation of the
19 Judgment, I had no choice other than to act. In response to Plaintiffs' Motion for
20 Sanctions, Renaissance and I filed a Motion Vacate the Default Judgment and
21 Dismiss for Lack of Personal Jurisdiction that was prepared by our counsel, James
22 Doroshow and his firm, Fox Rothschild.

23 8. I have been informed that Plaintiffs have served subpoenas and notices
24 of deposition on former employees of Renaissance including Betsy Starman (former
25 office manager), Leo Booth (former executive director), Dr. Daniel Gatlin (former
26 clinical and executive director), Chris Jaros (former consultant), and Marcelo Barros
27 (former partner). Some of these individuals may have negative feelings about
28 Renaissance due to the manner in which the employment relationships ended.

1 David Kaiser is one of the very few people in the world who is privy to that
2 information.

3 I declare under penalty of perjury under the laws of the United States of
4 America that the foregoing is true and correct.

5 Executed in Los Angeles, California on March 1, 2011.

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7 By: /S/
8 Salvatore Petrucci
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